



HYDRO

Hydro

Executive Vice President and CFO, John Ottestad

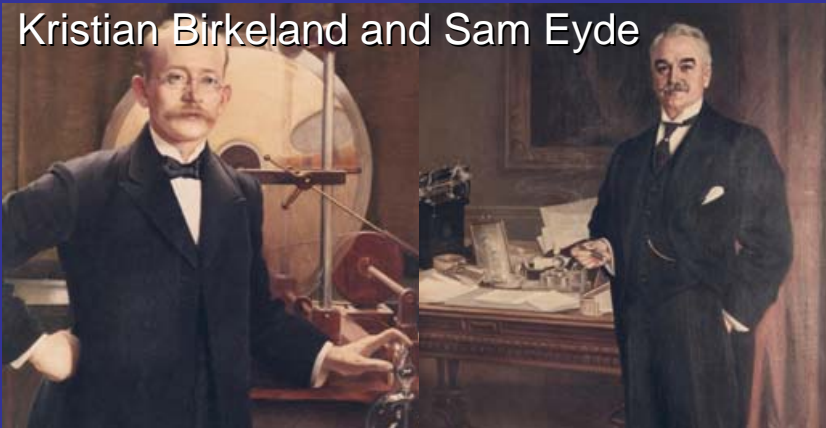
Cheuvreux European Large Cap Conference
Paris, 30 March 2007

Agenda

- The heritage
- 1999-2007 years of transformation
- 'New' Hydro

We have a rich heritage ...

Kristian Birkeland and Sam Eyde



Rjukan Waterfalls – our first giant project



Fertilizer for the international market

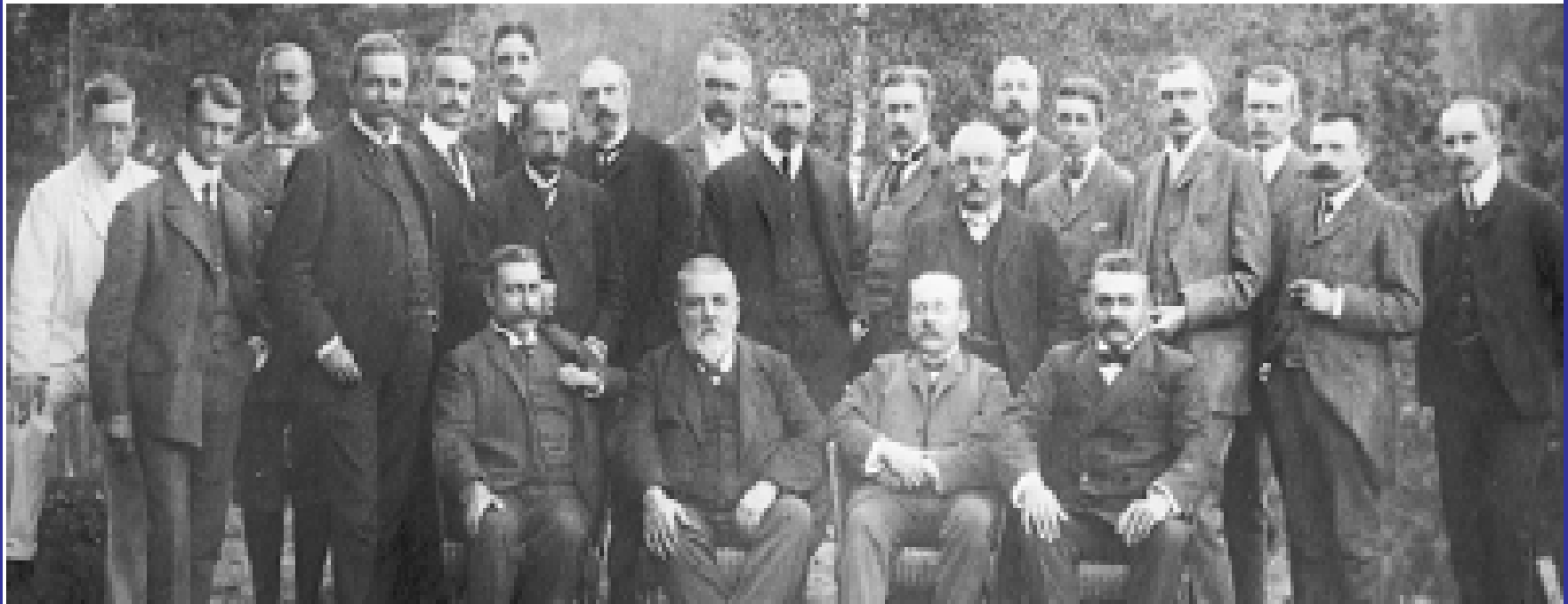


First class project execution – from day 1



1905

Banque Paribas sent experts from Europe



2 December 1905

Norsk Hydro is established

Modern Hydro emerges

- 1963
 - Enters into aluminium production
 - Decides to participate in North Sea oil exploration with a consortium of seven French oil companies
- 1969
 - Hydro and its French partners in the Petronord group made a major discovery
 - Ekofisk: first oil discovery on the Norwegian continental shelf



Active portfolio management 1999-2006

Acquisitions and divestments 1999-2006	Enterprise value NOK billion
Acquisitions	
Saga Petroleum 1999	31
Wells, Technal and SDFI 2001-2002	6
VAW 2002	24
Spinnaker Exploration 2005	16
Peregrino 2005	2
Total acquisitions	79
Divestments non-core activities	32



Yara listed on Oslo Stock Exchange March 25 2004

- The world's leading fertilizer company – well positioned for profitable growth
- Transfer of Agri values directly to shareholders (80 percent)
20 percent offering to effectively position Agri in the capital markets
- Yara share price appreciation of 238 percent since IPO

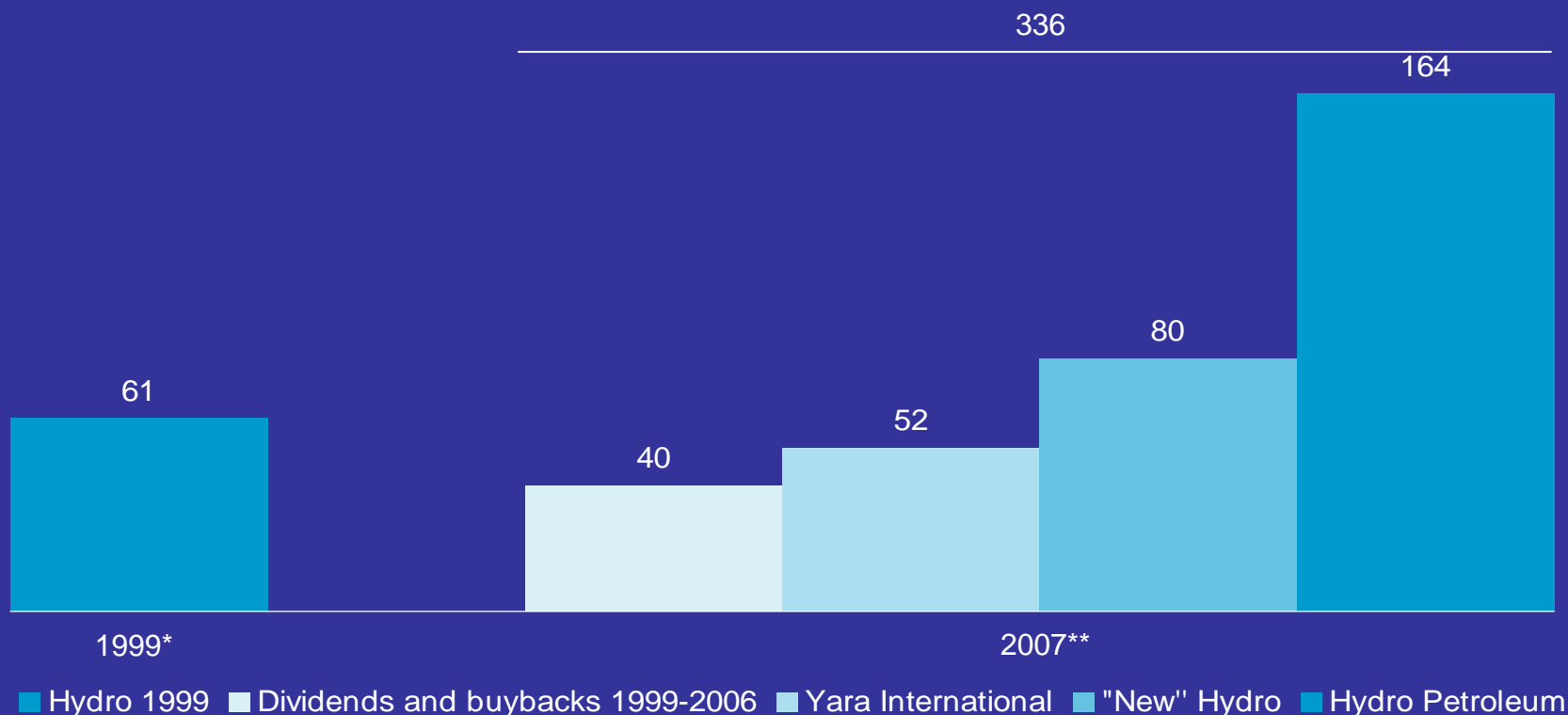


Strategic decision to merge oil and gas activities with Statoil

- The Boards of Hydro and Statoil have agreed to the merger and a prospectus (F-4) has been filed with the SEC
- Hydro's shareholders to receive 0.8622 shares in the new company for each Hydro share and retain their shares in Hydro
- Hydro continues as the world's third largest integrated aluminium company
- "New" Hydro share price appreciation of 38 percent since merger announcement 18 December 2006

Development in market capitalization, dividends and buyback 1999 - 2007

NOK billion

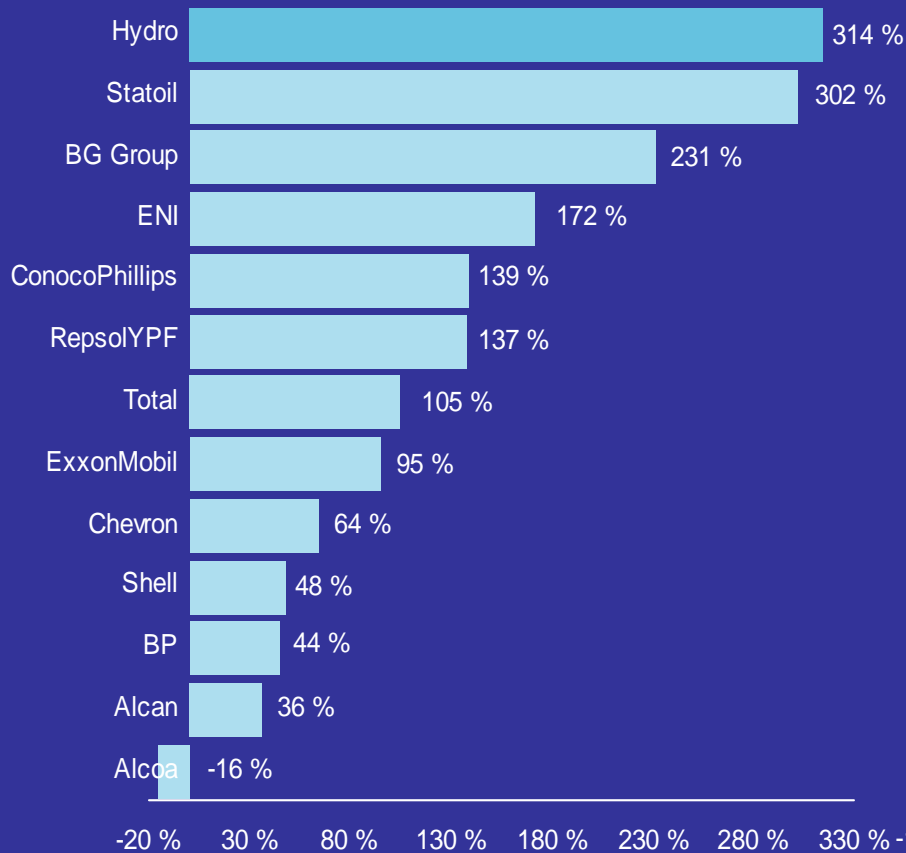


* 4 January 1999 close, nominal value

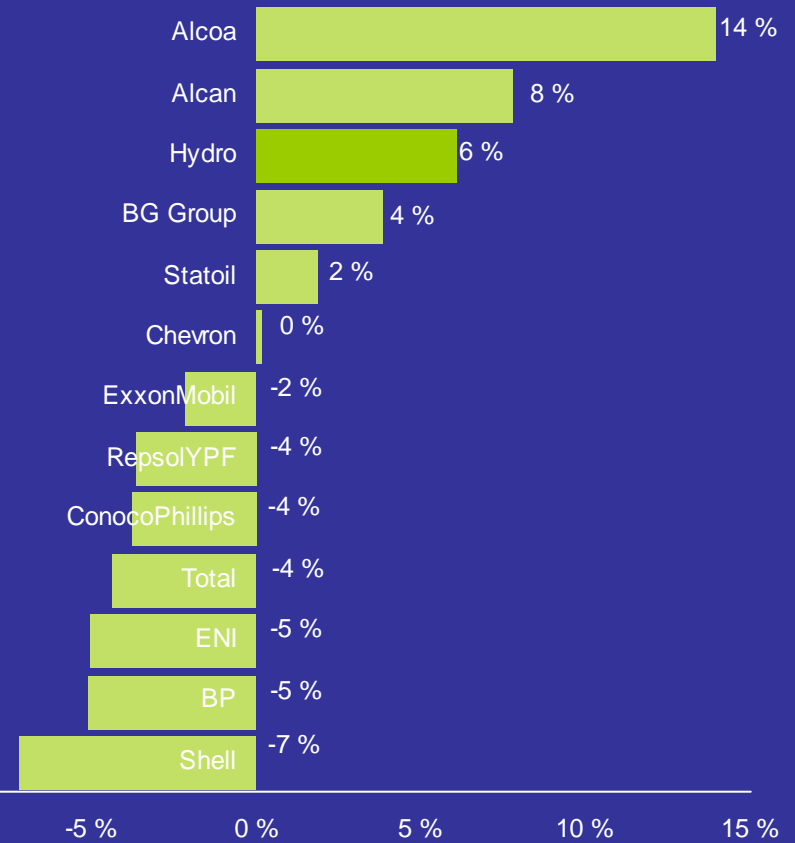
** 23 March 2007 close. Aluminium and Oil & Energy based on transaction equation adjusted for dividend payments

Competitive share price development (NYSE)

1 January 2002 to 31 December 2006



1 January 2007 to 23 March 2007



Source: Yahoo Finance, NYSE, USD



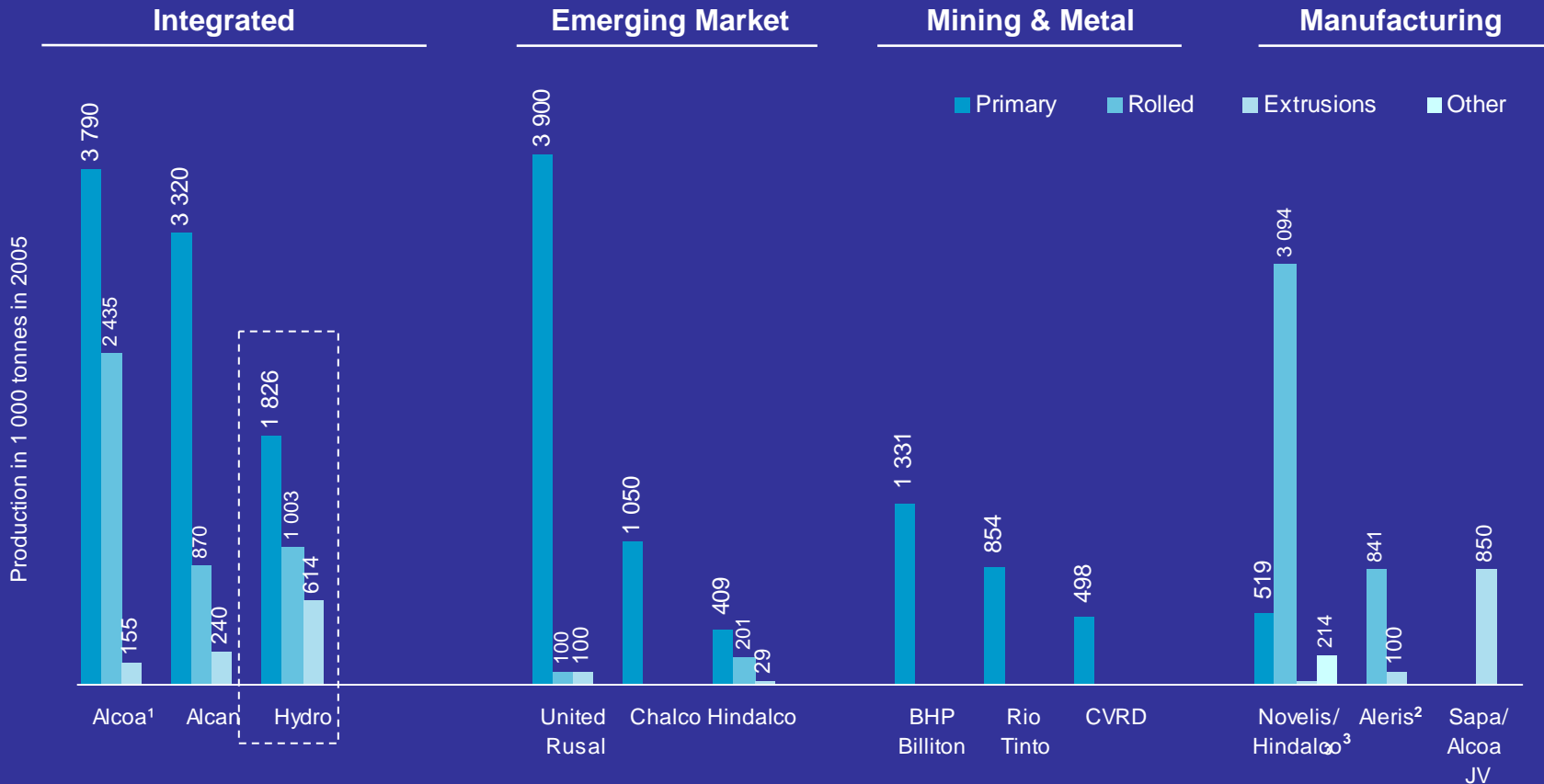


Hydro going forward

- Core businesses: Aluminium Metal, Aluminium Products and Power
- 22 000 employees of which 7 000 in Norway
- Operations in more than 30 countries
- Annual turnover more than NOK 100 billion
- Operating income 2006 NOK 7.8 billion
- Market Capitalization NOK 80 billion*

* 23 March 2007 close. "New" Hydro share = Hydro share price - (share price of Statoil less dividend multiplied by .8622)

Strong aluminium industry position



1. Alcoa pro forma for SAPA JV on extrusion.

2. Pro forma figures for acquisition of Corus Aluminium's rolled and extrusions businesses

3. Pro forma figures for acquisition of Novelis rolled businesses

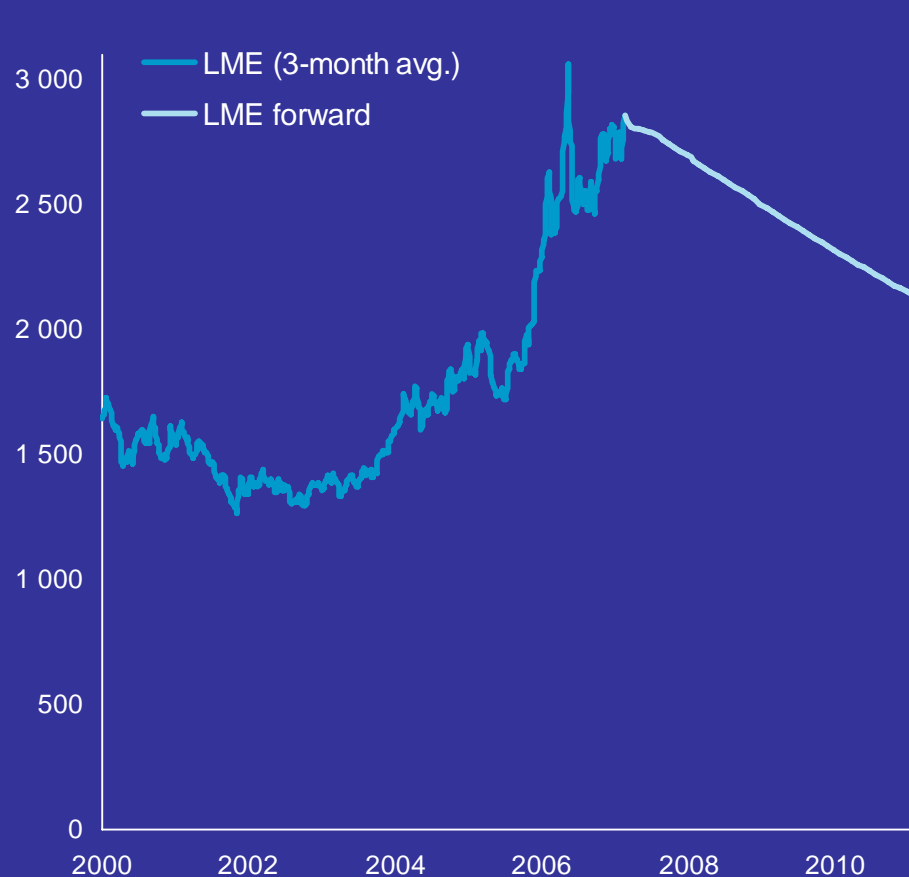


Aluminium Metal

- Operational excellence
- Geographic repositioning
- Expected primary production 2010: 2 million tons
- Strong focus on return on capital

Aluminium price remains historically high

USD per ton



Per 16 February 2007, weekly average

Primary aluminium LME	USD/ton
Q4 2006 average	2 725
Q4 2006 end	2 803
Q3 2006 average	2 528
Q3 2006 end	2 584
Q2 2006 average	2 682
Q2 2006 end	2 630
Q1 2006 average	2 444
Q1 2006 end	2 471
Average 2006	2 594
Average 2005	1 900

Industry costs rising – Hydro's position improved

Significant shift in industry cost curve*



* Source: CRU (Corporate operating cost definition)

- Alumina
 - Two thirds of cost increase
 - Coming down from peak
- Energy
 - Oil and gas prices
 - Coal prices
 - CO₂ emission trading
 - Supply/demand for electricity
- Other raw materials
- Freight



Alunorte alumina refinery – key asset in repositioning

- Targeting 6.5 million ton production by 2009
- Hydro stake 34 percent of world's largest refinery
- First-quartile investment costs and highly competitive conversion costs
- Platform for pursuing new opportunities in Brazil and other bauxite rich areas



Qatalum project – profitable mega-smelter in key region

- 585 000 tons annually – expansion potential to 1.2 million tons annually
- First quartile operating cost – captive gas power
- 50/50 joint venture between Hydro and Qatar Petroleum
- Final cost estimate and build decision summer 2007



Aluminium Products

- Extrusion - Solid platform gives strong returns
- Rolled Products - strong cash generator in challenging markets
- Restructuring to be completed in 2007
 - Divestment of Automotive Castings and Automotive Structures
 - Closure of Magnesium smelters

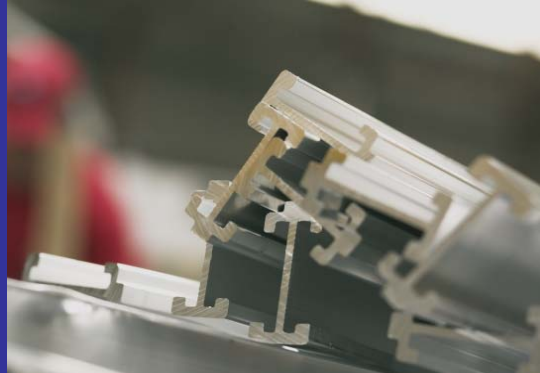


Power

- Norway's second largest power producer
 - Annual production ~ 9 TWh (7-11 TWh), 100% hydropower
 - 2.7 TWh with no reversion
 - 3.6 TWh subject to reversion in 2044-2057*
 - 2.7 TWh subject to reversion in 2022
 - Installed capacity 1 860 MW
- Acquired power under long-term contracts until 2020 ~ 7 TWh
- Low production costs and investments

* Includes the Fortun plants (1.6 TWh) where the current concession expires in 2017. Hydro has applied for renewal of the concession and it is expected that the new concession will expire in 2057.

Technological and operational leadership



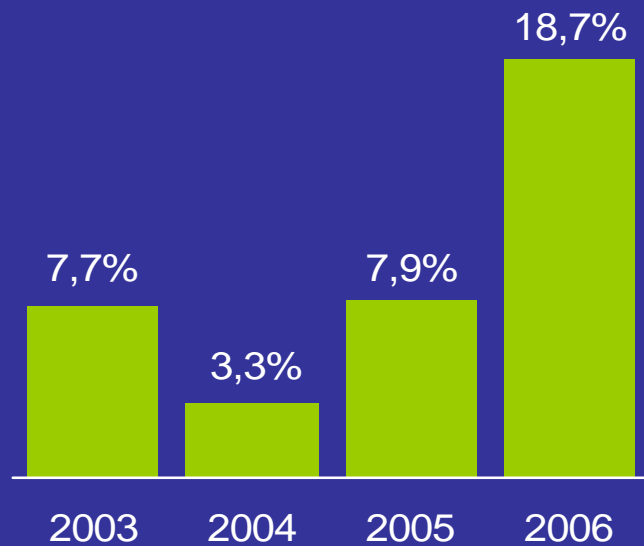
- Smelting
 - Leading smelting technology
- Extrusion & Precision tubing
 - Number two global player in extrusion
 - Global leader in precision tubing
- Rolled products – Litho and foil
 - Number one in lithographic plates and thin gauge foils
 - Alunorf – world's largest hot rolling mill
 - Grevenbroich – world's largest cold rolling mill

Strong results for “new” Hydro businesses in 2006

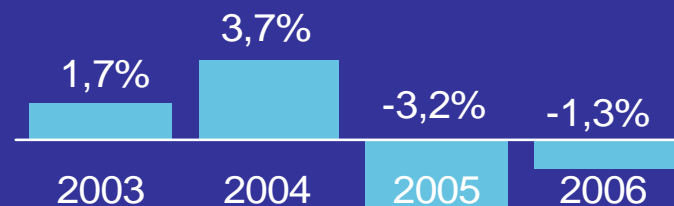
NOK billion	Operating revenues	Adjusted EBITDA	Depreciation	Operating income	Investments
Aluminium Metal	68.4	9.1	(1.7)	6.4	2.0
Aluminium Products	49.8	1.7	(1.7)	(0.1)	1.3
Power	6.3	1.3	(0.1)	1.2	0.04
Polymers	6.9	1.5	(0.4)	1.0	0.5

Return on capital focus

Aluminium Metal



Aluminium Products



Dividend policy

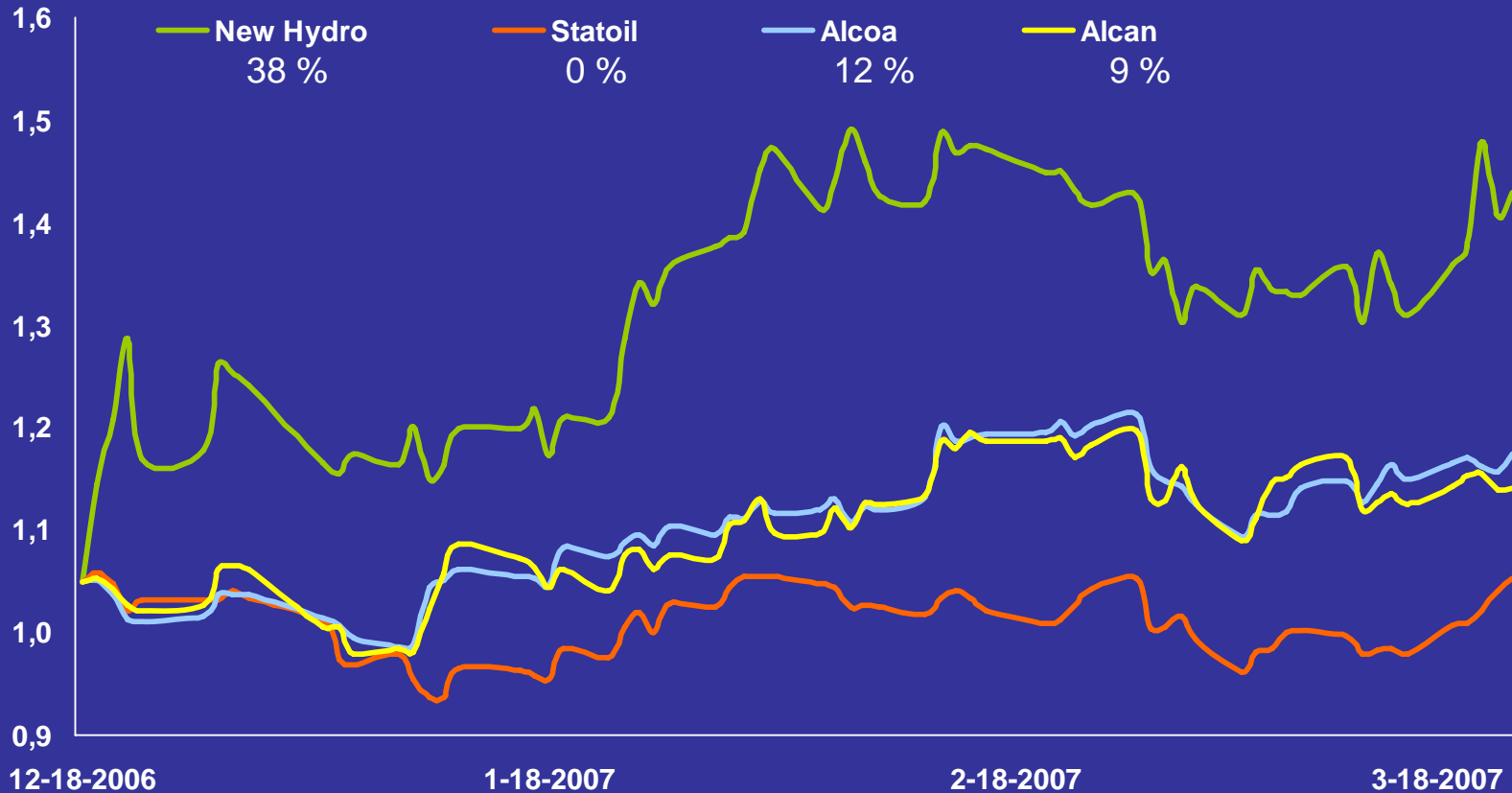
30% payout ratio over time



- High commodity prices have supported current dividend payout and share buy backs
- Hydro will continue existing dividend policy with an average payout ratio of 30 percent of net earnings
- Share buy-backs or extraordinary dividends will supplement dividends during periods of strong financials

Share price development “new” Hydro

Relative development NYSE 18 December 2006 – 23 March 2007



Source: Yahoo Finance, NYSE, USD

Management with a proven track record



Eivind Reiten
President and Chief Executive Officer from 2001



John Ottestad
Executive Vice President, Chief Financial Officer from 2002



Torstein Dale Sjøtveit
Executive Vice President, Aluminium Metals from 2006



Svein Richard Brandtzæg
Executive Vice President, Aluminium Products from 2006



Cecilie Ditlev-Simonsen
Executive Vice President, Chief Communication Officer from 2006



Tom Røtjer
Executive Vice President, Projects from 2007 *



Jørgen C. Arentz Rostrup
Executive Vice President, Power from 2007 *

* Will take effect following completion of the proposed merger of Hydro's oil and gas activities with Statoil, expected in third quarter 2007

A blurred photograph of a train station platform. A train is visible on the left, and a person is walking away on the right. The scene is lit with bright, cool-toned lights, creating a sense of motion and depth. An orange horizontal band is overlaid across the middle of the image, containing the text.

Additional Financial Information

Segment information

Operating income

NOK million	2006	2005	2004
Aluminium Metal	6 362	2 694	785
Aluminium Products	(83)	(370)	1 072
Power	1 185	1 123	741
Other activities	1 229	(88)	274
Corporate and eliminations	(885)	1 064	(854)
Total	7 808	4 423	2 018

Adjusted EBITDA ¹⁾

NOK million	2006	2005	2004
Aluminium Metal	9 134	4 821	5 297
Aluminium Products	1 715	2 670	3 058
Power	1 337	1 283	875
Other activities	1 995	1 747	1 281
Corporate and eliminations	23	1 772	(69)
Total	14 203	12 293	10 442

1) EBITDA includes financial income, but is not adjusted for special items

Aluminium Metal financials

NOK million	2006	2005	2004
Operating revenues	68 405	54 579	51 957
Depreciation	1 728	1 687	3 798
Operating income	6 362	2 694	785
Non-consolidated investees	837	272	281
Adjusted EBITDA	9 134	4 821	5 297
Investments ¹⁾	1 979	1 792	4 244
Primary aluminium production (tons)	1 799 000	1 826 000	1 720 000
Realized aluminium price LME (USD/ton)	2 352	1 812	1 629
Realized aluminium price LME (NOK/ton)	15 371	11 813	11 403

1) Includes non-cash element of NOK 186 million in 2005 and NOK 1 275 million in 2004 related to change in accounting principles (FIN47 and FIN46R)

Aluminium Products financials ¹⁾

NOK million	2006	2005	2004
Operating revenues	49 844	42 477	43 533
Depreciation	1 666	2 913	1 848
Operating income	(83)	(370)	1 072
Non-consolidated investees	(179)	47	68
Adjusted EBITDA	1 715	2 670	3 058
Investments ²⁾	1 250	1 970	1 951
Rolled Products sales volumes, tons	1 000 000	950 000	945 000
Extrusion sales volumes, tons	640 000	600 000	635 000

1) Excluding Automotive Castings which is reported as discontinued operations

2) Includes non-cash element of NOK 9 million in 2005 related to change in accounting principles (FIN47)

Power financials

NOK million	2006	2005	2004
Operating revenues	6 292	6 614	4 108
Depreciation	120	142	121
Operating income	1 185	1 123	741
Non-consolidated investees	22	10	2
Adjusted EBITDA	1 337	1 283	875
Investments	42	98	241
Power production, TWh	8.3	10.8	8.1
Acquired under long-term contracts for Hydro's industrial use, TWh	7.3	7.0	7.0
Total power available, TWh	15.6	17.8	15.1

Combined income statements – Hydro after demerger

NOK million	2006	2005
Operating revenues	102 632	92 100
Depreciation, depletion and amortization	3 674	3 975
Impairment losses	289	1 259
Other operating costs	90 863	82 444
Operating income	7 808	4 423
Non-consolidated investees	761	491
Financial income (expense), net	146	533
Other income, net	-	924
Income from before tax and minority interest	8 714	6 372
Income tax expense	(2 186)	(1 397)
Minority interest	(202)	(118)
Income from continuing operations	6 327	4 857
Income from discontinued operations	167	174
Income before cumulative effect of change in accounting principles	6 493	5 031
Cumulative effect of change in accounting principles	-	(78)
Net income	6 493	4 953
Earnings per share – NOK	5.20	3.90

For calculation of EPS, 2006: 1 240 804 344 shares, 2005: 1 254 036 520 shares

Previously reported earnings per share and total number of outstanding shares have been adjusted to reflect the 5-for-1 stock split effective 10 May 2006.

Combined balance sheets – Hydro after demerger

NOK million	31 December 2006	31 December 2005
Cash and cash equivalents	6 609	10 266
Short-term investments	15 020	3 859
Receivable Hydro Petroleum	200	779
Receivables and other current assets	20 181	19 073
Inventories	14 220	12 952
Current assets held for sale	1 122	-
Non-consolidated investees	8 780	8 601
Property, plant and equipment	31 158	34 623
Other non-current assets	8 154	11 272
Non-current assets held for sale	2 569	-
Total assets	108 012	101 426
Short-term interest-bearing debt	2 084	2 672
Current portion of long-term debt	424	190
Current liabilities Hydro Petroleum	19 227	20 293
Other current liabilities	21 269	18 302
Current liabilities in disposal group	738	-
Long-term interest-bearing debt	367	722
Other long-term liabilities	12 654	11 437
Deferred tax liabilities	1 080	3 100
Long-term liabilities in disposal group	273	-
Minority interest	707	981
Shareholders' equity	49 190	43 729
Total liabilities and shareholders' equity	108 012	101 426

Investor Relations in Hydro

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Cautionary note in relation to certain forward-looking statements

Certain statements contained in this announcement constitute “forward-looking information” within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. In order to utilize the “safe harbors” within these provisions, Hydro is providing the following cautionary statement.

Certain statements included within this announcement contain (and oral communications made by or on behalf of Hydro may contain) forward-looking information, including, without limitation, those relating to (a) forecasts, projections and estimates, (b) statements of management’s plans, objectives and strategies for Hydro, such as planned expansions, investments, drilling activity or other projects, (c) targeted production volumes and costs, capacities or rates, start-up costs, cost reductions and profit objectives, (d) various expectations about future developments in Hydro’s markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, as well as (i) statements preceded by “expected”, “scheduled”, “targeted”, “planned”, “proposed”, “intended” or similar statements.

Although Hydro believes that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause Hydro’s actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to, world economic growth and other economic indicators, including rates of inflation and industrial production, trends in Hydro’s key markets, and global oil and gas and aluminium supply and demand conditions. For a detailed description of factors that could cause Hydro’s results to differ materially from those expressed or implied by such statements, please refer to the risk factors specified under “Risk review – Risk Factors” on page 134 of Hydro’s Annual Report 2006 and subsequent filings on Form 6-K with the US Securities and Exchange Commission.

No assurance can be given that such expectations will prove to have been correct. Hydro disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Use of non-GAAP financial measures

With respect to each non-GAAP financial measure Hydro uses in connection with its financial reporting and other public communications, Hydro provides a presentation of what Hydro believes to be the most directly comparable GAAP financial measure and a reconciliation between the non-GAAP and GAAP measures. This information can be found in Hydro’s earnings press releases, quarterly reports and other written communications, all of which have been posted to Hydro’s website (www.hydro.com).